

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary \_ Public

**Date:** 6/12/2015

**GAIN Report Number:** MX5511

# Mexico

**Post:** Monterrey ATO

# **Exporting to Mexico - Managing Issues at the Border**

**Report Categories:** 

**Exporter Guide** 

**Approved By:** 

Ann Murphy - ATO Director

**Prepared By:** 

Eduardo Lozano C.

### **Report Highlights:**

This report is an updated overview of the export-import process for agricultural and food products. It offers practical guidance to prevent or resolve common difficulties encountered at ports of entry (POE), when shipping U.S. products to Mexico.

#### **General Information:**

This report is an updated overview of the export-import process for agricultural and food products. It offers practical guidance to prevent or resolve common difficulties encountered at ports of entry (POE), when shipping U.S. products to Mexico. U.S. exporters of agricultural products who are currently exporting to Mexico, or new exporters who are interested in expanding their business in Mexico, should be aware of the dynamic export-import process that takes place at major ports of entry (POE) along the United States-Mexico border. Exporters should know that Mexican import regulations are subject to change without previous notification. In this way, to successfully export their products into Mexico, U.S. exporters are encouraged to keep track of product throughout the supply chain from point of origin and until the corresponding product has been cleared on the Mexican side of the border. In addition, exporters should maintain close communication with their Mexican importers, and consider building relationships with companies that provide export-import services including customs brokers, freight forwarders, cold storage and other service providers at the U.S.-Mexican border. To avert delays at ports of entry, exporters must ensure that products comply with applicable Mexican import regulations; that shipments arrive to the border with the required documentation and certification, and seals when applicable. Thus, exporters should access U.S. and Mexican government information sources in order to keep track of rules and regulations affecting specific agricultural products. The Agricultural Trade Office (ATO) in Monterrey, Mexico has expert advice for exporters, customs agents, freight forwarders and Mexican importers about correct documentation procedures, and logistics to successfully export to Mexico. In the event that a shipment is detained or rejected at the border, the ATO Monterrey agricultural specialist can assist U.S. exporters and Mexican importers in clarifying the problem and determining how to best proceed in resolving the issue at hand.

#### Introduction

Mexico is currently the third most important export market for U.S. agricultural and food products. Mexico's Secretariat of Agriculture, Livestock, Rural Development, Fishery and Food (SAGARPA), is responsible for regulating and inspecting imported agricultural products. Inspectors from SAGARPA's National Service of Health, Food Safety, and Food Quality, or SENASICA, perform documentary and physical inspection at major POE along the 1,954 mile U.S.-Mexico border or at POE elsewhere including seaports and airports. Shipments containing U.S. food and agricultural products destined for export to Mexico may encounter difficulties during the inspection process at the border. This report has the intent to provide exporters a quick reference guide on managing problems at POE. At the time of this update, according to Mexican government agencies and industry contacts, documentation and clerical errors continue to represent over 95 percent of border entry problems. Other issues that can result in the detention or rejection of shipments include non-compliance with sanitary, phytosanitary, or labeling requirements. This guide outlines key steps exporters should take in the event that a shipment is detained at a port of entry on the Mexican side of the border, and explains how ATO Monterrey can assist exporters in resolving specific border entry difficulties. U.S. exporters should take note that over 95 percent of U.S. exports of agricultural and food products cross into Mexico through nine principal inland ports of entry. The following map depicts the principal inland ports of entry along the United States-Mexico border in order of importance.



For specific information on the above ports of entry, please read GAIN report (MX5508 Update 2014-Principal Border Entry Points for U.S. Agricultural Exports).

## **Improving the Export Process to Avoid Border Entry Problems**

Exporters of food and agricultural products should be aware that noncompliant shipments will encounter administrative difficulties at the border. In order to avoid the detention or rejection of shipments at the border, exporters should verify that products destined for export to Mexico comply with applicable regulations. Products may encounter delay or detention at ports of entry when: documents accompanying the shipment are not properly filled out, present alterations, lack and/or have incorrect information. Another reason for rejection is the lack of a truck load seal; this applies for products that must arrive at the border for inspection in a sealed truck. It is important for exporters to investigate which products must comply with the sealed truck requirement. Exporters must take into account that border issues are not limited to documentary issues but may also occur when products are in violation of health and sanitary regulations. In some instances, if the cause of detention is due to documentary errors or misinterpretation of regulations by Mexican official inspectors, ATO Monterrey can provide assistance to the U.S. exporter or the Mexican importer to clear the load.

#### **Basic Steps to Prevent Problems at Ports of Entry**

Previous to shipping exporters should:

- Verify the product's eligibility for entrance into Mexico;
- Confirm that certificates and accompanying documents are complete and contain accurate product information;
- Confirm that USDA export certificates attest to current applicable Mexican import regulations;
- Verify compliance with Mexico's labeling regulations;
- Verify that documents accompanying the shipment are originals, complete, and signed by the

corresponding U.S. authorities; and

- Maintain close communication with the Mexican importer.

In addition, U.S. exporters are encouraged to provide freight forwarders, Mexican customs brokers and importers a copy of commercial invoices and all other required documents prior to loads reaching the United States-Mexico border. Furthermore, U.S. exporters and Mexican importers should work with U.S. freight forwarders and Mexican customs brokers who specialize and have experience handling agricultural products to minimize shipment delays at ports of entry. These trade service providers can assist the U.S. exporter and the Mexican importer in meeting the above criteria to avoid issues at ports of entry. The freight forwarder and/or Mexican customs broker can determine the eligibility of a product and verify that it meets Mexico's sanitary or phytosanitary requirements, as well as labeling and other applicable requirements. The freight forwarder and/or Mexican customs broker will classify the product and assign the corresponding Harmonized Tariff Schedule (HTS) and will verify that import permits are available for that particular product. The FAS Mexico Food and Agricultural Import Regulations (FAIRS) Country Guide and Export Certificate reports contain detailed information on Mexico's import requirements.

### **Problem Solving Quick Reference Guide**

If a shipment is detained or rejected during the border entry process, U.S. exporters and Mexican importers can contact the Agricultural Trade Office in Monterrey for assistance in resolving the problem. Before contacting the ATO, however, the exporter/importer should establish communication with the freight forwarder and/or Mexican customs broker to gather the following information, which will help the ATO provide assistance:

**Description of the product, location, and port of entry.** A detailed description of the product and its harmonized tariff schedule (HTS) code must be provided. Is the product on the U.S. side of the border, or has it crossed the border into Mexico? If the product is still in the United States, what is the contact information for the freight forwarding company responsible for crossing the product? If the product has crossed the border into Mexico, what is the contact information for the Mexican customs broker responsible for clearing the product?

**Nature of the issue.** Is the product held on the U.S. side because it lacks or has incomplete documentation? Is the product held on the Mexican side because it lacks or has incomplete documentation? Which Mexican authorities are involved? What are the Mexican authorities requesting? Are Mexican authorities requesting a replacement certificate or additional statements and/or amendments to the USDA export certificate? Is the product detained on the Mexican side because the USDA export certificate does not attest to compliance with current Mexican import requirements or is the product held due to sanitary or phytosanitary issues?

If the product is rejected or detained by SENASICA inspectors, the exporter should provide ATO Monterrey with a copy of the report in which SENASICA specifies the reason why the shipment is being held or rejected. The aforementioned report can be obtained by the importer and or by the Mexican customs broker responsible for clearing the product through Mexican Customs Single Window System (VUCEM). In the VUCEM system SENASICA's documentary revision report is known as Folio 200 and the physical inspection report is known as Folio 500.

Once the above information is obtained report the issue to ATO Monterrey via email or phone, and provide any relevant documents such as export certificates and contact information for freight forwarders and Mexican customs brokers responsible for crossing the product. ATO staff will help the exporter/importer to clarify the nature of the problem to determine how best to proceed in resolving the issue.

**Disclaimer:** This report was prepared by the Agricultural Trade Office (ATO) of the USDA/Foreign Agricultural Service in Monterrey, Mexico, for U.S. exporters of food and agricultural products. While every possible care was taken in the preparation of this report, information provided may not be completely accurate, either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters, previous to shipping products into Mexico, verify the full set of Mexican import requirements and regulations with their customers in Mexico, who are normally best equipped to research such matters with local authorities. Final import approval of any product is subject to the importing country's rules and regulations as interpreted by inspection officials at the port of entry.

For additional information or to report an issue at the border, please contact ATO Monterrey.

Phone: (52) 81-8047-3100 extension 3318 or extension 3232

Email: eduardo.lozano@usda.gov